

STATE SENATOR JOHN GRIESHEIMER DISTRICT 26

2005 Legislative Report

Dear Friends,

I am pleased to take this opportunity to share with you some of the highlights of the 2005 legislative session. By all accounts, the 2005 session of the Missouri General Assembly was historic in several ways. Not only was this session the first time in more than 80 years that both the executive and legislative branches of state government were controlled by Republicans, but also nearly all of the governor's top priorities were passed during his first year in office. In fact, the two most critical measures—tort reform and workers' compensation—were on the governor's desk by the halfway point in the session.

Although Missouri's economy is slowly emerging from a recession, it still has a long way to go, and out-of-control expenses continue to outpace revenues. Simply put—Missouri is broke, so difficult and unpopular decisions had to be made this year to balance the budget, which included discharging several hundred state employees and scaling back and overhauling our Medicaid system.

For me personally, this was a landmark session. I was honored to be appointed chairman of the Senate Economic Development, Tourism and Local Government Committee. This committee handled some of the most difficult and controversial issues to come before the Legislature.

I sponsored and/or handled some of the most significant measures to pass this session. My two other important roles this year were to preside over the Senate in the absence of the Lt. Governor or

President Pro Tem and to negotiate compromises on legislation when requested by leadership.

This is a busy interim for me. I am actively serving on three committees, including chairing the Senate Interim Committee on Tax Increment Financing, as well as serving on the state OATS board.

My staff is always available to assist you if they can. Please feel free to call my office anytime at (800) 247-6102 or (573) 751-3678, or you may call my home at (636) 239-2521 or (636) 239-2523. My cell phone number is (314) 650-5777.

If you have any questions, comments or concerns about what was highlighted here, or about other legislative issues, please do not hesitate to contact me. It is truly an honor and privilege to represent you in the Missouri Senate!

Sincerely,



In Memory of **Larry Gene Taylor** 1953 - 2005

As chairman of the Senate Economic Development panel, I had the privilege of working closely with Vice-Chairman Sen. Taylor. In June, Sen. Taylor's life was cut short by cancer.

He was one of the nicest and finest legislators with whom I've been honored to serve. He will be deeply missed.



A Formula for a Good Investment

Crafting a new formula for distributing state funds to Missouri's 524 public school districts was a high priority for the Legislature and the governor this session. Our goal was to rewrite the foundation formula to provide an adequate and equitable education to every child in Missouri. And we succeeded with Senate Bill 287. For the first time, the governor came to the city of Washington to sign a piece of legislation.

The new school funding plan sets a minimum amount the state has to spend per pupil at \$6,117 and adjusts this figure according to varying student needs and costs of living for each school district. The increase in school funding (estimated to be at least \$800 million) will be phased in over the next seven years. An additional \$15 million in funding for certain smaller school districts has

How your county will fare under the new formula*:

County	FY 2006 Current Formula	FY 2007 New Formula
Franklin	\$25,965,599	\$27,888,025
Warren	\$8,637,804	\$9,312,616
St. Louis County	\$295,799,309	\$308,318,893

*Additional funding from specialized grants not included.

been included in the plan, and urban school districts will be allocated money to cover high costs of labor. No district will receive less funding than it would have acquired under the current formula. This new formula reaffirms that Missouri's top priority is education.

The Missouri Legislature is constitutionally required to send a budget to the governor each year. After thoroughly considering the primary 13 appropriation bills, we approved a \$19.2-billion budget one day ahead of the deadline. The budget:

- Increases funding for elementary and secondary education by \$113 million
- Fully funds the First Steps program, which offers early intervention services to 8,000 developmentally disabled infants and toddlers
- Spends millions more than last year for Medicaid services
- Maintains the level of funding for higher education
- Includes \$6.2 million for Amtrak funding
- Increases funding to Missouri Elderly and Handicapped Transportation Assistance by \$150,000
- Increases ethanol subsidies funding by \$2.6 million

Budget Concerns

FY 2006 After Veto Missouri Operating Appropriations
General Revenue: \$7.159 Billion



Tort Reform

malpractice, product liability, etc.) and rids the system of the possibility of juries handing out outrageous awards, which drive insurance premiums up. Expensive insurance forces businesses to move out of state and doctors to stop practicing high-risk procedures in Missouri. We also put a stop to "venue shopping," a practice in which trials are moved to jurisdictions known for awarding plaintiffs the most generous amounts.

Another issue we dealt with was the "joint and several liability" clause, which allows one defendant to be held financially liable for anything other liable defendants are unable to pay. Defendants will now only be responsible for economic damages beyond their percentage of liability if the jury determines them to bear more than 50 percent of fault and the other defendant(s) cannot cover their part.

These changes guarantee a more proportionate distribution of liability for the defendant and justice for the plaintiff.

Saving Medicaid from Insolvency

Medicaid was created in the late 1960s to provide help in the form of state-funded health care to those who are truly in need. Missouri's spending on the Medicaid program has grown from 4 percent of our state budget in 1968 to 28 percent of our state budget in 2004. Unfortunately, our approximate \$250-million budget shortfall has collided with the current way we provide Medicaid.

With so much of our state's \$19.2-billion budget going toward Medicaid, the program is on a fast track toward insolvency. Unless we have voter approval, we cannot raise taxes to fill in the gap. Because voters have (understandably) rejected statewide tax increases three times in recent years, we are left to work within our means.

Senate Bill 539 calls for the establishment of a Medicaid system with stricter eligibility verification and oversight. No qualified child or pregnant woman will be cut off Medicaid, and the state will continue to provide prosthetics, eyeglasses, podiatry and dental services for most adults, subject to appropriations. The legislative plan restores income eligibility thresholds to the level they were at just three years ago and also closes a loophole that allowed certain wealthy individuals to qualify for Medicaid.

Established by this year's legislation, the Medicaid Reform Commission will make recommendations on how to rebuild the Medicaid system so that year after year we will not have to make round after round of painful cuts. Missouri taxpayers and those who are genuinely in need of Medicaid assistance deserve an entirely new system—one that uses each tax dollar to its fullest, yet continues to provide health care for Missouri's neediest citizens. We are starting from scratch to overcome this economic and social challenge by creating a better state-funded health care system that doesn't place the brunt of budget cuts on the backs of those who need it the most.

Medicaid's Growth Over the Year\$

YEAR	Total State Money Spent	Percentage of State Budget
1968	\$38,914,458	4%
1980	\$320,505,298	8%
1990	\$832,557,078	11%
2000	\$3,337,470,275	20%
2004	\$4,888,399,124	28%

Underage Drinking

To curb alcohol use among minors, we passed Senate Bill 402, which I co-sponsored after having served on the Joint Interim Committee on Underage Drinking. Under current Missouri law, no one under the age of 21 is allowed to purchase or hold alcohol, but there is a loophole that enables minors to drink as long as they don't get caught with the alcohol in their hands.

The legislation makes it a misdemeanor for a minor to be visibly drunk or to have a blood-alcohol content higher than 0.02 (one-fourth the .08 legal limit). The measure also revokes licenses for 90 days of individuals under 21 who are convicted of alcohol possession and withholds licenses for minors under 16. Also under the bill, parents allowing minors other than their own children to drink on their property are subject to a Class B misdemeanor. Manufacturing and selling fake IDs to minors for the purpose of buying alcohol is now a Class A misdemeanor.



Continuing the Fight Against Meth

Cold and sinus medicines are intended to cure our ailments, but there are people who use the pseudoephedrine found in over-the-counter remedies to produce methamphetamine, an extremely addictive drug that stimulates the central nervous system.

In June, the governor signed legislation that aims to reduce meth production in Missouri. The new law limits the amount of pseudoephedrine-based medicine, such as Sudafed® and Actifed®, that customers can buy and requires that those medications in dry-tablet form be distributed only by pharmacists or licensed technicians. All purchases will be logged for police inspection.

Lighter restrictions apply to medication in liquid or gel-cap form.



Regulating Utility Rates

This session, the Legislature passed a bill I sponsored that has received some criticism from people who are worried their electric bills will rise. Senate Bill 179 deals with regulating utility rates in Missouri, which means that electricity providers can more quickly adjust to market changes while protecting consumers' interests.



Sen. Griesheimer holds a Rate Adjustment Map showing utility bill changes across the nation.

It is critical to plan for the future of Missouri's electric utilities so as not to end up with the same blackout situation California experienced and from which the Golden State continues to suffer.

SB 179 ensures that Missouri electric utility companies will have appropriate incentives to construct major new electric-generating plants in our state to satisfy Missouri's need for electric power. This will prevent the companies from having to buy more expensive energy produced in states other than Missouri.

The measure allows electric utilities to adjust consumer rates according to fluxes in fuel costs. It also allows them to

pass along cost increases of up to 2.5 percent to meet environmental requirements. Instead of requiring consumers to pay higher prices, these provisions call for a more stabilized market and, therefore, can *lower* bills.

The same concept happens in the natural gas industry. When fuel costs escalate, the consumer may temporarily have to help foot the bill. But when fuel prices drop in the off-season or when supplies are abundant, the consumer saves money. Without SB 179, consumers would be stuck paying the same price for energy, regardless of the price of fuel.

The new legislation includes a number of safeguards to guarantee that excessive costs are not passed on to consumers. One such consumer shield is an in-depth review process. Before a company can adjust consumer rates, the Public Service Commission must review the request, and if the commission determines the rate adjustment to not be in the best interest of consumers, the rate change will be denied. The bottom line is that this measure is good for *your* bottom line.

Cell Phone Taxes

The Legislature sent to the governor House Bill 209, the most significant consumer-friendly reform of state and local telecommunications tax policy to pass in the past decade.

HB 209 will lower existing city business license tax rates on local phone services by at least 50 percent and apply this lower tax rate to all telecommunications services taxable under the sales tax.

The legislation requires the dismissal of lawsuits

that could have resulted in millions of dollars of excessive new taxes on telecommunications services. Telecommunications consumers will also be shielded from unreasonable future rates by capping city business license tax rates at 5 percent.

I was the Senate handler of the bill, and getting final passage required a compromise from all involved parties. Although the bill is not yet flawless, I plan on working to tweak it to perfection next year.

Telecom Regulations



Compromise also played an important role in passing Senate Bill 237, which I co-sponsored. The measure revises state telecommunications regulations to increase competition, which benefits consumers.

The past decade has been filled with technological advances, but Missouri's telecommunications laws haven't kept pace.

Consumers will benefit from the legislation because it will allow phone companies to set rates in markets deemed competitive by the Missouri Public Service Commission, which regulates the industry. The bill also indirectly allows for the expansion of higher-tech broadband Internet service in more communities.

Current law only allows phone companies to offer special discounted rates to new customers or customers who have switched to other service providers. But companies cannot offer discounted rates to existing customers. The bill takes away that exclusion, meaning consumers will get the best deal possible. The bill allows rates to be based on market needs, not government regulations.

Invest-In-Missouri Act



I co-sponsored Senate Bill 270, which includes a package of reforms and incentives to re-attract state deposits to Missouri banks. The act also revitalizes the Missouri's linked-deposit program to create jobs, help farmers and boost small businesses in Missouri.

The Invest-In-Missouri Act modernizes security collateral requirements for state deposits so they are more like those used by federal banks, a move that levels the playing field between state and federal banks.

This is a win-win situation for all Missourians because now we can take Missouri money and invest it in Missouri banks to loan out to Missouri citizens to create Missouri jobs.

Waste-Tire Cleanup

Last year, I was vice chairman of the Joint Interim Committee on Solid Waste as well as a member of the Senate Ways and Means Committee. In both committees, we discussed the negative effects of scrap-tire piles. They are not just eyesores, but they are also fire hazards, mosquito breeding grounds and harmful pollutants to our atmosphere. This year, we passed Senate Bill 225 to reinstate the waste tire fee, which expired in January last year.

Now when you need to get rid of old tires, rather than discarding them in Missouri waterways or dumping them in illegal tire piles, you can return the scrap

tires to tire retailers and pay a mere 50 cents each to get the tires out of your hands without facing legal or environmental jeopardy. The fee goes toward the Department of Natural Resources and the Department of Economic Development to clean up abandoned scrap-tire dumps and fund recycling programs.

Since the waste-tire fee began nearly 15 years ago, the state has cleaned up more than 12 million tires. Now we can be sure to continue these efforts.



Political Subdivisions

Senate Bills 210 and House Bill 58 modify numerous laws relating to local governments. Among their many provisions, the legislation:

- Expands the number of public entities that can be included in sharing payment in lieu of taxes (PILOT) when a city or county wants to abate property taxes for economic development purposes. This provision only affects Franklin County and allows East Central College to share in the PILOT without the loss of much-needed tax revenue.
- Develops a statewide system for assessing business personal property, which is tangible personal property used in a trade or business or used to produce income. Starting Jan. 2, 2006, property bought by a business or industry will be assessed the same way across the state according to the IRS depreciation schedule. This decreases the likelihood of an individual homeowner paying increased property taxes to make up for the revenue loss that occurred from reduced business property assessments.
- Establishes a statewide Local Economic Development Empowerment Act. This will allow local communities to improve their roads or construct new sewer lines if their residents approve a local-option sales tax to go toward those economic development projects.
- Allows the city of Eureka to annex a portion of unincorporated St. Louis County for an environmental park.
- Changes the date of elections for Warren County Emergency Services Board members from November to April 2006.
- Consolidates the collection of taxes in township organization counties by eliminating the position of township collector.

More Notable Legislation:

SB 355—Omnibus Ag Bill

A bill I introduced establishing the Missouri Wine and Grape Board ultimately became an omnibus agricultural bill.

The legislation also excludes certain sellers of jam, jellies and honey with less than \$30,000 in annual sales from health regulations; exempts sales of non-potentially dangerous food sold by religious, non-profit or charitable organizations from food-inspection laws and extends the expiration date of the ethanol producer incentive fund.



Sen. Delbert Scott, left, and Sen. Griesheimer listen to debate on the senate floor.

SB 71—Disaster Volunteer Bill

I sponsored Senate Bill 71 to help caring state employees such as Troy Hart from Lonedell. Mr. Hart works for the state, but as a certified disaster service volunteer, he wanted to offer his services to help in the aftermath of a devastating tornado that hit Stockton in 2003.

SB 71 allows state employees to receive paid leave for donating their time as a disaster service volunteer if they are certified through the State Emergency Management Agency (SEMA).

Other people's compassion and devotion is valuable in times of tragedy, and if the efforts of state workers can't be rewarded, they should at least be compensated.

In Addition:

Here are a few other bills that I sponsored in the Senate or handled for House members:

Senate Bill 24 - Eliminates a technical problem that relates to a special court fee for the construction and renovation of the Franklin County Courthouse and Administration Building.

Senate Bill 516 - Eliminates a technical problem that relates to the reimbursement for emergency services in a Tax Increment Financing district.

Senate Bill 23 - Creates the crime of criminal use of property by operating audiovisual recording devices in a movie theater. (Amended to HB 353.)



House Bill 261 - Creates two new retirement benefit options for employees covered under the Local Government Employees Retirement System (LAGERS).

SB 262—Wine Bill

I sponsored Senate Bill 262, which allows specialty retail stores that sell wine on Sundays, such as Missouri Wine and Gift in Warrenton, to sell wines not produced in Missouri. The legislation will also allow Missouri's Schlafly Beer brewery to extend its hours.

Included in the bill was a provision dubbed "Merlot to Go," which allows people to take unfinished bottles of wine they purchase in restaurants into their vehicles, as long as the bottle is resealed and placed in a tamper-proof bag so they will not be in violation of local open-container laws. Now people do not have to waste the wine they buy, nor are they pressured to drink it all before they leave.

Gubernatorial Appointments



**Gloria Carter Hicks, Wildwood
Training and Employment Council**



**Gerald Engemann, Hermann
Dam and Reservoir Safety Council**



**Tina Odo, Glencoe
Public Entity Risk Management Board**



**Aaron Aitch, Union
Fire Safety Advisory Board**

Also appointed to state boards and commissions were: **Gregory Brown**, Eureka, Fire Education Commission; **Eric Park**, Washington, Credit Union Commission; **James Harig**, Labadie, Amusement Ride Safety Board; and **Louis B. Eckelkamp, Jr.**, Washington, Missouri Development Finance Board.



One of a state senator's most important assets is a dependable and informed staff.

I am fortunate to have both Mrs. Carolyn Case and Mr. Chris Sutherland to assist me in my office in Jefferson City.

Feel free to contact the office if you have questions about the Missouri Legislature, concerns about how the laws affect you, or simply want to book a tour of the Capitol for your family or group.

We can be reached at (573) 751-3678 or Toll Free at (800) 247-6102.

Legislation Worth Repeating

Eliminating Emissions Testing

We've been trying for a few years in a row to get rid of the requirement that vehicles in the St. Louis area undergo emissions testing. The contract with the company that handles the testing expires in September 2007.

The process of getting a vehicle tested is time-consuming, money-consuming and patience-consuming. Newer cars pass the test easily, but still must pay the \$24 fee. If the vehicle fails the test, the owner must then fix the car, which is expensive. I will try once again next year to remove this hassle from the books.

Strengthening Abortion Regulations

Session ended before lawmakers could iron out the differences between two versions of a bill that would have increased regulations on abortions in Missouri. I anticipate we will pass this bill once and for all during a special session in September.

The initial version of Senate Bill 2 would make anyone who transports a minor across state lines to obtain an abortion without informed consent civilly liable. This will help enforce Missouri's law requiring minors to receive parental consent before receiving an abortion. The measure would also require abortion clinics to have clinical privileges at hospitals located no more than 30 miles away.

Getting an abortion affects individuals mentally, emotionally and physically. Our children should not be alone in the decision-making process. This legislation holds accountable those who help young mothers dodge Missouri's law to end their pregnancy without parental consent.

Legislation Successfully Defeated

Removing the Loss Limit

Once again this year, there was an attempt made to remove Missouri's loss limit on gambling.

The loss limit was established to prevent compulsive gamblers from buying more than \$500 in table-game chips or slot machine tokens during each two-hour gambling session.

Missouri is the only state with a loss limit in place, and so far, its purpose has been fulfilled because we've managed to help those who are addicted to gambling while preventing the money-laundering that other states and Las Vegas know so well.

More than 60,000 Missouri families are affected by gambling addictions, and removing the loss limit would not only add to that number, it would also add to those families' pain.



Sen. David Klindt, standing, examines a piece of legislation with Sen. Griesheimer in the Senate Chamber during legislative session.

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